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October 22, 2004

ATTN: Document Control Desk
Mr. Gary Janosko, Chief FCLB
Fuel Cycle Licensing Branch, NMSS
Mail Stop T-8A33
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

RE: Smith Ranch – Highland Uranium Project, Ruth/North Butte Sites
Docket No. 40-8964, License No. SUA-1548
Request for License Amendment

Dear Mr. Janosko:

As discussed with Mr. John Lusher, NRC Project Manager, Power Resources, Inc. (PRI) requests a License Amendment to revise License Condition 10.2.2 that pertains to the Ruth and North Butte sites that are not currently in operation but are expected to be operated as ISL Satellite Facilities to the Smith Ranch-Highland Uranium Project (SR-HUP) in the future. PRI requests that the inspection frequency for the Ruth site be changed from a monthly to quarterly inspection frequency based on the following:

1. The Ruth site is limited to two small buildings and the two dry evaporation ponds.
2. The previous owner (Pathfinder) removed most contaminated material from the site and plugged all wells in the Pilot Wellfield.
3. The site is relatively remote and is located on private land surface thereby limiting access to the general public. The remoteness of the site also makes it difficult for PRI to access the site, especially during winter months.
4. Over the past several years there has been no evidence of any unwanted activities at the site.

As discussed with Mr. Lusher, PRI also requests that the requirement to check the leak detection system at the evaporation ponds be revised such that only a visual inspection of the pond liners, embankments, and fences be required. This request is based on the fact that the ponds are not in

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use, they are usually dry, and maintenance of the antiquated leak detection system has proved difficult. The lack of significant water in the ponds (they only contain water from infrequent precipitation events) eliminates any significant head to drive a release from the bottom of the ponds. Historic monitoring of the leak detection system has shown no problems with the liner. Also, given that there is very little by-product material (less than a few inches of contaminated dirt) and, at the most, only a few inches of water in the ponds at any one time, a visual inspection of the liners and embankments should be sufficient.

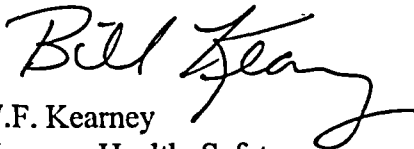
Also, as previously discussed with Mr. Lusher and NRC Inspectors, there are no facilities at the North Butte site that require routine inspection from an NRC perspective. Therefore, PRI requests that requirements for the inspection of the North Butte site be removed from License Condition 10.2.2.

Given the above, PRI recommends that License Condition 10.2.2 be revised as follows:

The licensee shall perform and document, at the Ruth site, visual inspections of the evaporation pond embankments, fences, and liners, as well as measurements of pond freeboard. The frequency of those inspections shall be quarterly. If a significant event occurs that adversely affects the integrity of the evaporation ponds and could result in the release of by-product material to the environment, the NRC PM shall be notified by telephone or e-mail within 48 hours of verification of such a condition.

PRI is hopeful that this request for a License Amendment can be assessed in a timely manner. If you have any questions or need additional information, please call me at 307-358-6541 ext 62.

Sincerely,



W.F. Kearney
Manager-Health, Safety
& Environmental Affairs

WFK/ksj

cc: S.P. Collings
R. Knode

J. Lusher – NRC Project Manager
File SR-4.6.4.1